

DEPARTMENT OF HUMAN SERVICES FAMILY INVESTMENT ADMINISTRATION	PUBLIC ASSISTANCE TO ADULTS MANUAL	
FINANCIAL ELIGIBILITY	Section 500	07.03.07.05
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500.1 Assets and Income - General

In addition to meeting the technical eligibility requirements, an individual must be in need in order to qualify for PAA. An individual is considered needy if his allowable needs specified in section 400 are greater than his countable income and his assets (resources) do not exceed the allowable limit or \$2,000. Verify income and assets as part of the initial eligibility determination process and at redetermination.

500.2 Asset Limit

- A. A PAA recipient cannot have countable assets in excess of the allowable amount and receive PAA.
- B. The current limit is \$2,000 for PAA.
- C. Assets are countable from the date of application.
 1. If assets are within the limit on the date of application, the asset test is met: Eligibility exists even if the assets were over scale prior to the application, providing no assets were transferred to make the applicant eligible.
 2. Applicants with assets over \$2,000 on the date of application, who state they have not paid the living expenses listed below, have 10 days to provide proof of paying the living expenses before the application is denied because of assets over the allowable limit.
 - a. Rent or mortgage
 - b. Utilities (including water bills)
 - c. Food
 3. Applicants with excess assets because they are listed on a relative's or other person's bank account for emergency reasons, but do not personally use the funds, should be referred to the banking institution to have the account set up correctly.

Note: If the applicant can provide proof that the asset is the property of another person; do not delay benefits while the banking institution makes the adjustment to the other person's account.

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- D. The applicant is ineligible for any month assets are over the allowable amount.

500.3 Countable Assets

- A. Assets the applicant or customer has available or has legal interest in, that are countable towards the PAA limit include:
1. Bank accounts (savings and checking)
Note: Interest which is credited to a bank account and remains on deposit is considered a part of the assets; however, interest which is withdrawn is considered as income to the individual in the month after the month in which it was withdrawn.
 2. Stocks
 3. Bonds
 4. Money on hand
 5. Real property (other than the applicant's or recipient's home as described in 500.6) not listed for sale
 6. Trust fund principal when the applicant or recipient is the beneficiary and has unrestricted access to the principal.
- B. Unless specifically excluded, all assets are countable.
- C. The value of countable assets must be verified.

500.4 Excluded Assets

These assets are not included when testing against the asset limit:

- A. The value of burial plots for the individual, the individual's spouse, or any member of the individual's immediate family.
- B. Up to \$1500 on burial funds kept separate from other sources.
- C. Irrevocable burial contracts clearly designated as providing for the individual's or spouse's burial expenses and not refundable, regardless of value.
- D. Vehicles owned by the individual.
- E. Life insurance policies.

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- F. Payments to individuals of Japanese ancestry and Aleuts under Title I of Public Law 100-383, the Civil Liberties Act of 1988, or Title II of Public Law 100-383, the Aleutian and Pribilof Islands Restitution Act.
- G. Payments from the Agent Orange Settlement Fund or any other fund established to settle the Agent Orange product liability litigation.
- H. Payments excluded under federal law.
- I. Trust fund principal when the applicant or recipient has no access or restricted access to the principal.

500.5 Transfer of Assets

- A. Applicants or customers who transfer assets to become eligible or remain eligible for PAA are ineligible if:
 - 1. Assets are transferred in the 3-month period before the application month, or
 - 2. Assets are transferred after the individual has been approved for benefits.
- B. A period of ineligibility is calculated as follows:
 - 1. Determine the equity value of the transferred assets.
 - 2. Subtract the amount of assets which can be retained without exceeding the asset limit (\$2,000).
 - 3. The remainder is considered income and is added to any other income and divided by the cost of care, resulting in the number of months of ineligibility.
 - 4. Count any fraction of a month as income in the first month of eligibility.
 - 5. In situations involving a transfer of assets, the case manager evaluates the action to determine if the transfer of assets or the use of funds was done with the intent to qualify for assistance.
 - a. If the transfer of assets or the use of funds was done to qualify for assistance, a period of ineligibility is given, unless the total amount of the transfer is less than the allowable asset limit.
 - b. If the transfer of assets or the use of funds was to meet living expenses such as food, utilities, or shelter costs, the individual is eligible.

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500.6 Ownership of Home

- A. An applicant or recipient may own a home and it is not considered a resource under the following circumstances:
 - 1. If he or she plans to return to it within six months of his or her application for PAA.
 - 2. If the spouse with whom he or she was living prior to entering the Assisted Living facility, a CARE Home, or a Rehabilitative Residence is still living in the home.
- B. If neither of the conditions described in A exists, then the equity value of the home is considered a countable asset.
- C. Do not withhold assistance while the recipient is making arrangements for the sale of the property.
 - 1. The property must be listed for sale with a licensed agent.
 - 2. The recipient must provide verification for the market value of the property, the equity in it, and the steps that are being taken to dispose of the property.
 - 3. The case manager will set up a CARES alert to check on the sale within three months.
 - 4. It is expected that the property will be disposed of within a year.
- D. The proceeds from the sale will be used to meet the cost of care until the funds are spent down to the \$2,000 asset limit.

500.7 Lump Sum

- A. Lump-sum income is unearned money received by the individual on a nonrecurring basis. It is usually a retroactive payment from sources such as Social Security, an inheritance, lottery winnings, or a court settlement. Lump-sum income is handled as follows:
 - 1. Add the total lump sum income to the sum of all other earned and/or unearned income (excluding the PAA grant amount) for the month after allowable work expenses and other disregards have been applied

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2. Subtract an amount equal to the asset limit (\$2,000) or an amount which, when added to current assets, would equal the asset limit (This amount may be retained as an asset).
 3. Divide the result by the cost of care for the individual.
 4. Use the results of this division to determine the number of ineligible months.
 5. Any amount that remains after the allowable payment is divided by number of ineligible months is counted as income in the first month after ineligibility ends.
- B. The local department can shorten the ineligibility period for the lump sum when circumstances beyond the individual's control occur. Consider the following:
1. Verified theft of money;
 2. Eviction or foreclosure;
 3. A disaster such as fire, flood, tornado, hurricane, or civil disorder;
 4. Verified theft or breakdown of an essential appliance;
 5. Lack of heat, utilities, or insufficient supply;
 6. Breakdown of essential household furnishings, equipment, or structure necessitating repair or replacement; and
 7. Incurred and paid medical expenses, including:
 - a. Treatment or service rendered by a physician, clinic or nursing home;
 - b. Treatment or service rendered by a physician, dentist, certified psychologist, licensed social worker, or any health professional licensed or certified by the State.
 - c. Prescription drugs when authorized by a health professional licensed under State law to prescribe drugs.
 - d. Over-the-counter medication, health-related supplies, or appliances recommended by a health professional licensed by the State.
- C. A lump sum amount that is less than the monthly benefit amount is counted as unearned income in the month following adverse action.

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500.8 Countable Income

Countable income includes, but is not limited to:

- A. Income from pensions, benefits, and annuities;
 - 1. Many PAA recipients are beneficiaries of SSI, or Social Security, or both.
 - 2. Some PAA recipients may be receiving other types of benefits than those mentioned above. Benefits may be union or private company pensions, retirement benefits of federal, state, or municipal employees, annuities, veteran's benefits, etc.
- B. Wages, salaries, tips, and commissions;
- C. Income from self-employment after deducting costs of materials, equipment, or other items essentials to production of the self-employment income;
- D. Federally funded assistance payments;
- E. State-funded assistance payments;
- F. Unemployment benefits;
- G. Support and alimony payments
- H. Payments from government programs, dividends, interest, royalties, or money payments from any source that is a gain or benefit to the individual;
- I. The contribution for a parent from a son or daughter;
- J. The contribution for an adult child with a disability from a parent; and,
- K. Lump sum income as described in the section for lump sum.

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500.9 Excluded Income

Excluded income includes:

- A. Any grant, fellowship, scholarship, work-study or loan to any student for educational purposes, including Veteran's educational benefits;
- B. Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended;
- C. Income from any programs under the Domestic Volunteer Service Act of 1973, the Older Americans Act, the Housing and Community Development Acts of 1987 and 1992 or the National and Community Service Trust Acts of 1990 and 1993, such as, but not limited to:
 - 1. Volunteers in Service to America (VISTA);
 - 2. Retired Senior Volunteer Program (RSVP);
 - 3. Foster Grandparents Program;
 - 4. Service Corps of Retired Executives (SCORE); and
 - 5. AmeriCorps
- D. The value of home-grown produce of an applicant used by an individual for home consumption;
- E. All training allowances received in a program under the Youth Employment Demonstration Program;
- F. All training allowances received in a program offered by a public or private organization enabling people to participate in training programs intended to help them acquire job skills;
- G. Payment received from the U.S. Department of Commerce, the Census Bureau, for short-term employment as a census worker;
- H. Payment under Title I of Public Law 100-383, the Civil Liberties Act of 1988, or Title II Law 100-383, the Aleutian and Pribilof Islands Restitution Act, received by individuals of Japanese ancestry and Aleuts;
- I. Payment made from the Agent Orange Settlement Fund or any other fund established for the settlement in the Agent Orange liability litigation;

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- J. The value of the benefit amount under the Supplemental Nutrition Assistance Program (SNAP);
- K. Infrequent or irregular unearned income that does not exceed \$200 in a six month period or cannot be reasonably anticipated;
- L. Infrequent or irregular earned income; and
- M. Charitable contributions.

500.10 Determining Available Income

- A. When an individual enters placement during the month, the customer may or may not have money available from his income for payment toward his cost of care. For example, a client entering a CARE Home might be without funds because his Social Security benefit has been paid to the state hospital. This money is, of course, not available for payment toward his CARE Home care.
- B. Each case must be evaluated individually. Only the money actually available to the customer at the time of placement is to be counted during the first month.
- C. During subsequent months in PAA placement, consider the customer's total (gross) income minus applicable disregards.

500.11 Income Disregards

- A. Unearned Income Disregard:
 - 1. Allow the unearned income disregard for Assisted Living, CARE Home (Project Home), and Rehabilitative Residence customers.
 - 2. Apply the unearned income disregard of \$20 to countable unearned income from any source.

Example: \$200.00	countable unearned income
<u>-20.00</u>	unearned income disregard
\$180.00	resource to grant
 - 3. In addition, apply a disregard equal to the cost of care to the income of residents of Rehabilitative Residences.

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B. Earned Income Disregard:

1. Allow the earned income disregard for CARE Home (Project Home) and Rehabilitative Residence customers. Because of advanced age or physical or mental disability, people living in licensed Assisted Living facilities are not gainfully employed.
2. Deduct a disregard of \$85 plus half of the remaining earned income from the total earned income of an individual who has no unearned income.
3. For a person who has both earned and unearned income, deduct a disregard of \$20 in addition to a disregard of \$65 plus half of the remaining earned income from the total of the earned and unearned income.
4. Apply a disregard equal to the cost of care to the income of residents of Rehabilitative Residences.